

## **I. Minor Modifications to Short-Form Applications**

94. Applicants are not permitted to make major modifications to their short-form applications (e.g., change their license selections, change control of the applicant, change the certifying official, or change their size to claim eligibility for a higher bidding credit) after the short-form application deadline.<sup>142</sup> Thus, any change in control of an applicant, resulting from a merger for example, will be considered a major modification to the applicant's short-form application, which will consequently be dismissed.<sup>143</sup>

95. Applicants are, however, permitted to make minor changes to their short-form applications after the filing deadline. Permissible minor changes include, for example, deletion and addition of authorized bidders (to a maximum of three) and revision of addresses and telephone numbers of the applicants and their contact persons.

96. If an applicant wishes to make permissible minor changes to its short-form application, such changes should be made electronically to its short-form application using the FCC Auction System whenever possible. Applicants are reminded to click on the SUBMIT button in the FCC Auction System for the changes to be submitted and considered by the Commission. After the revised application has been submitted, a confirmation page will be displayed that states the submission time and date, along with a unique file number.

97. An applicant cannot update its short-form application using the FCC Auction System outside of the initial and resubmission filing windows. In that case, the applicant must submit a letter briefly summarizing the changes and subsequently update its short-form applications in ISAS as soon as possible. Moreover, after the filing window has closed, ISAS will not permit applicants to make certain changes, such as legal classification and bidding credit.

98. Any letter describing changes to an applicant's short-form application should be submitted by e-mail to the following address: [auction86@fcc.gov](mailto:auction86@fcc.gov). The e-mail summarizing the changes must include a subject or caption referring to Auction 86 and the name of the applicant – for example, "RE: Changes to Auction 86 Short-Form Application of ABC Corp." The Bureau requests that parties format any attachments to e-mail as Adobe® Acrobat® (pdf) or Microsoft® Word documents. Questions about short-form application amendments should be directed to the Auctions and Spectrum Access Division at (202) 418-0660.

99. Applicants must not submit application-specific material through the Commission's Electronic Comment Filing System ("ECFS"). Further, as discussed above, parties submitting information related to their applications should use caution to ensure that information contained in their submissions do not contain confidential information or communicate information that would violate the Commission's anti-collusion rule or limited information procedures adopted for Auction 86.<sup>144</sup> A party seeking to submit information that might reflect non-public information, such as an applicant's license selections, upfront payment amount or bidding eligibility, should consider submitting any such information along with a request that the filing or portions of the filing be withheld from public inspection until the end of the anti-collusion period.

## **J. Maintaining Current Information in Short-Form Applications**

100. Section 1.65 of the Commission's rules requires an applicant to maintain the accuracy and completeness of information furnished in its pending application and to notify the Commission within 30

---

<sup>142</sup> 47 C.F.R. § 1.2105(b).

<sup>143</sup> We reiterate that, even if an applicant's short-form application is dismissed, the applicant would remain subject to the anti-collusion rule until the down-payment deadline, which will be established after the auction closes.

<sup>144</sup> See Section I.C.2.g. "Duty to Report Prohibited Communications; Reporting Procedure," above.

days of any substantial change that may be of decisional significance to that application.<sup>145</sup> Changes that cause a loss of or reduction in eligibility for a bidding credit must be reported immediately. If an amendment reporting substantial changes is a "major amendment," as defined by Section 1.2105, the major amendment will not be accepted and may result in the dismissal of the short-form application.<sup>146</sup>

101. As noted above, after the short-form filing deadline, applicants may make only minor changes to their short-form applications. Applicants must click on the SUBMIT button in the FCC Auction System for the changes to be submitted and considered by the Commission. In addition, applicants must submit a letter, briefly summarizing the changes, by e-mail at the following address: [auction86@fcc.gov](mailto:auction86@fcc.gov). The e-mail summarizing the changes must include a subject or caption referring to Auction 86 and the name of the applicant. The Bureau requests that parties format any attachments to e-mail as Adobe® Acrobat® (pdf) or Microsoft® Word documents. Applicants must not submit application-specific material through ECFS. A party seeking to submit information that might reflect non-public information, such as an applicant's license selections, upfront payment amount or bidding eligibility, should consider submitting any such information along with a request that the filing or portions of the filing be withheld from public inspection until the end of the anti-collusion period.

### III. PRE-AUCTION PROCEDURES

#### A. Auction Seminar – August 5, 2009

102. On Wednesday, August 5, 2009, the Commission will conduct a seminar for parties interested in participating in Auction 86 at FCC headquarters, located at 445 12<sup>th</sup> Street, SW, Washington, DC. The seminar will provide attendees with information about pre-auction procedures, completing short-form applications, auction conduct, the FCC Auction System, auction rules, and Broadband Radio Service rules. The seminar will also provide an opportunity for prospective bidders to ask questions of FCC staff concerning the auction, auction procedures, filing requirements, and other matters related to this auction.

103. To register, please provide the information listed on Attachment G by fax, e-mail or telephone to the FCC by Monday, August 3, 2009. The seminar is free of charge.

104. For individuals who are unable to attend, a webcast of this seminar will be available from the FCC's Auction 86 web page at <http://wireless.fcc.gov/auctions/86/>. Select the "Auction Seminar" link. The seminar webcast will be archived for future viewing.

#### B. Short-Form Applications – Due Prior to 6:00 p.m. ET on August 18, 2009

105. In order to be eligible to bid in this auction, applicants must first follow the procedures set forth in Attachment C to this Public Notice to submit a short-form application (FCC Form 175) electronically via the FCC Auction System.<sup>147</sup> This application must be received at the Commission prior to 6:00 p.m. ET on August 18, 2009. **Late applications will not be accepted.** There is no application fee required when filing a FCC Form 175, but an applicant must submit an upfront payment to be eligible to bid.<sup>148</sup>

106. Applications may generally be filed at any time beginning at noon ET on August 5, 2009, until the filing window closes at 6:00 p.m. ET on August 18, 2009. Applicants are strongly encouraged to file early and are responsible for allowing adequate time for filing their applications. Applicants may update or amend their applications multiple times until the filing deadline on August 18, 2009.

---

<sup>145</sup> 47 C.F.R. § 1.65.

<sup>146</sup> 47 C.F.R. § 1.2105(b)(2).

<sup>147</sup> 47 C.F.R. § 1.2105(a).

<sup>148</sup> See Section III.D. "Upfront Payments – Due September 24, 2009," below.

107. An applicant must always click on the SUBMIT button on the "Certify & Submit" screen to successfully submit its short-form application and any modifications; otherwise, the application or changes to the application will not be reviewed. Additional information about accessing, completing, and viewing the FCC Form 175 is included in Attachment C. FCC Auctions Technical Support is available at (877) 480-3201, option nine; (202) 414-1250; or (202) 414-1255 (text telephone (TTY)); hours of service are Monday through Friday, from 8:00 a.m. to 6:00 p.m. ET. In order to provide better service to the public, all calls to Technical Support are recorded.

### C. Application Processing and Minor Corrections

108. After the deadline for filing short-form applications, the Commission will process all timely submitted applications to determine which are complete, and subsequently will issue a public notice identifying (1) those applications that are complete, (2) those applications that are rejected, and (3) those applications that are incomplete because of minor defects that may be corrected. The public notice will include the deadline for resubmitting corrected applications.

109. As described above, after the August 18, 2009, short-form filing deadline, applicants may make only minor corrections to their applications.<sup>149</sup> Applicants will not be permitted to make major modifications to their applications (e.g., change their license selections, change control of the applicant, change certifying official, or change their size to claim eligibility for a higher bidding credit).<sup>150</sup>

110. Applicants should be aware the Commission staff will communicate only with an applicant's contact person or certifying official, as designated on the applicant's short-form application, unless the applicant's certifying official or contact person notifies the Commission in writing that applicant's counsel or other representative is authorized to speak on its behalf.<sup>151</sup> Authorizations may be submitted by e-mail at the following address: [auction86@fcc.gov](mailto:auction86@fcc.gov).

### D. Upfront Payments – Due September 24, 2009

111. In order to be eligible to bid in this auction, applicants must submit an upfront payment accompanied by an FCC Remittance Advice Form (FCC Form 159). After completing its short-form application, an applicant will have access to an electronic version of the FCC Form 159 that can be printed and sent by fax to U.S. Bank in St. Louis, Missouri. **All upfront payments must be made as instructed in this Public Notice and must be received in the proper account at U.S. Bank before 6:00 p.m. ET on September 24, 2009.**

#### 1. Making Upfront Payments by Wire Transfer

112. Wire transfer payments must be received by 6:00 p.m. ET on September 24, 2009.<sup>152</sup> No other payment method is acceptable.<sup>153</sup> To avoid untimely payments, applicants should discuss arrangements (including bank closing schedules) with their banker several days before they plan to make

<sup>149</sup> See Section III.I. "Minor Modifications to Short-Form Applications," above.

<sup>150</sup> 47 C.F.R. § 1.2105(b); see also *Two Way Radio of Carolina, Inc., Memorandum Opinion and Order*, FCC 99-189, 14 FCC Rcd 12,035 (1999).

<sup>151</sup> In no event, however, will the FCC send registration materials to anyone other than the contact person listed on the applicant's FCC Form 175 or respond to a request for replacement registration materials from anyone other than the authorized bidder, contact person, or certifying official listed on the applicant's FCC Form 175. See Section III.E. "Auction Registration," below.

<sup>152</sup> An applicant must initiate the wire transfer through its bank, authorizing the bank to wire funds from the applicant's account to the Commission's auction payment lockbox bank, the U.S. Bank in St. Louis, Missouri. Additional information on wire transfers is available on the Commission's web site at <http://www.fcc.gov/fees/wiretran.html>.

<sup>153</sup> The Commission will not accept checks, credit cards, or automated clearing house (ACH) payments.

the wire transfer, and allow sufficient time for the transfer to be initiated and completed before the deadline. Applicants will need the following information:

ABA Routing Number: 081000210

Receiving Bank: U.S. Bank  
1005 Convention Plaza  
St. Louis, MO 63101

BENEFICIARY: FCC/Account # 152308790392

Originating Bank Information (OBI Field): (Skip one space between each information item)  
"AUCTIONPAY"

APPLICANT FCC REGISTRATION NUMBER (FRN): (same as FCC Form 159, block 21)

PAYMENT TYPE CODE: (same as FCC Form 159, block 24A: "A86U")

FCC CODE 1: (same as FCC Form 159, block 28A: "86")

PAYER NAME: (same as FCC Form 159, block 2)

LOCKBOX NO. # 979085

NOTE: The Lockbox number is specific to the upfront payments for this auction. Do not use Lockbox numbers from previous auctions.

113. At least one hour before placing the order for the wire transfer (but on the same business day), applicants must fax a completed FCC Form 159 (Revised 2/03) to U.S. Bank at (314) 418-4232. On the fax cover sheet, applicants should write "Wire Transfer – Auction Payment for Auction 86." In order to meet the Commission's upfront payment deadline, an applicant's payment must be credited to the Commission's account before the deadline.<sup>154</sup> **The applicant is responsible for obtaining confirmation from its financial institution that U.S. Bank has timely received its upfront payment and deposited it in the proper account.**

114. Please note that:

- All payments must be made in U.S. dollars.
- All payments must be made by wire transfer.
- Upfront payments for Auction 86 go to a lockbox number different from the lockboxes used in previous FCC auctions, and different from the lockbox number to be used for post-auction payments.
- Failure to deliver a sufficient upfront payment as instructed by the September 24, 2009, deadline will result in dismissal of the application and disqualification from participation in the auction.

## 2. FCC Form 159

115. A completed FCC Remittance Advice Form (FCC Form 159, Revised 2/03) must be faxed to U.S. Bank to accompany each upfront payment. Proper completion of FCC Form 159 is critical to ensuring correct crediting of upfront payments. Detailed instructions for completion of FCC Form 159 are included in Attachment D to this Public Notice. An electronic pre-filled version of the FCC Form 159 is available after submitting the short-form application. Payors using the pre-filled FCC Form 159 are responsible for ensuring that all of the information on the form, including payment amounts, is accurate. The FCC Form 159 can be completed electronically, but must be filed with U.S. Bank by fax.

<sup>154</sup> Letter to Patrick Shannon, Counsel for Lynch 3G Communications Corp., from Margaret W. Wiener, Chief, Auctions and Industry Analysis Division, Wireless Telecommunications Bureau, DA 03-1944, 18 FCC Rcd 11,552 (2003).

### 3. Upfront Payments and Bidding Eligibility

116. The Commission has delegated to the Bureau the authority and discretion to determine appropriate upfront payments for each auction.<sup>155</sup> Upfront payments help deter frivolous or insincere bidding, and provide the Commission with a source of funds in the event that the bidder incurs liability during the auction.

117. Applicants that are former defaulters, as described above, must pay upfront payments 50 percent greater than non-former defaulters.<sup>156</sup> For purposes of this calculation, the “applicant” includes the applicant itself, its affiliates, its controlling interests, and affiliates of its controlling interests, as defined by Section 1.2110 of the Commission’s rules.<sup>157</sup>

118. Applicants must make upfront payments sufficient to obtain bidding eligibility on the licenses on which they will bid. The Bureau proposed, in the *Auction 86 Comment Public Notice*, that the amount of the upfront payment would determine a bidder’s initial bidding eligibility, the maximum number of bidding units on which a bidder may place bids.<sup>158</sup> Under the Bureau’s proposal, in order to bid on a particular license, a qualified bidder must have selected the license on its short-form application and must have a current eligibility level that meets or exceeds the number of bidding units assigned to that license. **At a minimum, therefore, an applicant’s total upfront payment must be enough to establish eligibility to bid on at least one of the licenses selected on its short-form application, or else the applicant will not be eligible to participate in the auction.** An applicant does not have to make an upfront payment to cover all licenses the applicant selected on its short-form application, but only enough to cover the maximum number of bidding units that are associated with licenses on which the bidder wishes to place bids and hold provisionally winning bids at any given time.<sup>159</sup>

119. In the *Auction 86 Comment Public Notice*, the Bureau proposed to calculate upfront payments for Auction 86 on a license-by-license basis using the following formula based on bandwidth and license area population:

$$\$0.01 * \text{MHz} * \text{BTA population with a minimum of } \$20,000 \text{ per license.}^{160}$$

120. The Bureau set forth the specific proposed upfront payments and bidding units for each license in Attachment A of the *Auction 86 Comment Public Notice* and sought comment on this proposal.

121. Several commenters addressed the proposed upfront payment amounts as well as minimum opening bids for this auction. These commenters seek a downward adjustment of the formulas used to calculate upfront payments and minimum opening bids. Commenters offer two alternatives to the upfront payment amounts and minimum opening bids proposed in the *Auction 86 Comment Public Notice*. The Ad Hoc Applicants suggest that the “fairest and most accurate way” to set the minimums would be to begin with the Commission’s calculation and then subtract the MHz/pops which are currently licensed to incumbents.<sup>161</sup> The Ad Hoc Applicants propose that the minimum be set at the

<sup>155</sup> Amendment of Part 1 of the Commission’s Rules – Competitive Bidding Proceeding, *Order, Memorandum Opinion and Order and Notice of Proposed Rule Making*, 12 FCC Rcd 5686, 5697-98 ¶ 16 (1997) (“*Part 1 Order*”).

<sup>156</sup> *Part 1 Fifth Report and Order*, 15 FCC Rcd at 15,316-17 ¶¶ 40-42; see also 47 C.F.R. § 1.2106(a); Section II.G. “Provisions Regarding Former and Current Defaulters,” above.

<sup>157</sup> 47 C.F.R. § 1.2110(c).

<sup>158</sup> *Auction 86 Comment Public Notice* at ¶ 25.

<sup>159</sup> Provisionally winning bids are bids that would become final winning bids if the auction were to close after the given round. See Section IV.B.4. “Provisionally Winning Bids,” below.

<sup>160</sup> Results above \$10,000 are rounded to the nearest \$1,000; results below \$10,000 but above \$1,000 are rounded to the nearest \$100; and results below \$1,000 are rounded to the nearest \$10.

<sup>161</sup> Ad Hoc Applicants Comments at 2-3. Ad Hoc Applicants Reply Comments at 1-2.

higher of \$5,000 or the figure derived using its encumbrance-adjusted calculation. The Ad Hoc Applicants do not provide any data on the levels of encumbrance in the BRS service areas being offered in Auction 86.

122. The WCAI urges the Commission to modify its formula for calculating upfront payments based on the levels of encumbrance in the BTA.<sup>162</sup> Specifically, WCAI proposes using a formula of  $\$0.005 * \text{MHz} * \text{population}$  when the BTA's total encumbered population is greater than 50% but less than 80%, and a lower figure of  $\$0.001 * \text{MHz} * \text{BTA population}$  when the BTA's total encumbered pops is greater than 80%.<sup>163</sup> Noting that 75 of the licenses to be offered are "overlay" licenses originally offered in Auction 6, WCAI provides several examples of instances where the Commission's proposed upfront payment/minimum opening bid both "exceeds its  $\$0.01 \text{ MHz} * \text{Pop}$  target and exceeds or nearly matches" the Auction 6 winning bid for a license in the same BTA.<sup>164</sup> In reply comments, Clearwire supports an adjustment of the upfront payments and minimum opening bids that reflects encumbrances.<sup>165</sup> In an *ex parte* submission, members of WCAI submit information on the levels of encumbrance in each of the 78 BRS license areas being offered in Auction 86.<sup>166</sup> Clearwire asserts that it has no preference for either WCAI's proposal or that of Ad Hoc Applicants.<sup>167</sup>

123. Ad Hoc Applicants criticize the WCAI approach, noting that it would leave many markets "untouched" because they are less than 50% encumbered.<sup>168</sup>

124. In the *Auction 86 Comment Public Notice*, the Bureau noted the presence of pre-existing BRS site-based incumbent licenses within some of the geographic areas available in Auction 86.<sup>169</sup> The Bureau did not specifically address incumbency in its discussion of upfront payments. However, in its discussion of the proposed minimum opening bid amounts, the Bureau noted, "we have not attempted to adjust minimum opening bid amounts for licenses based on precise levels of incumbency within particular geographic areas, and have instead proposed a formula... intended to reflect overall incumbency levels within the BRS service areas being offered."<sup>170</sup> The Bureau proposed to calculate upfront payments using the same formula as proposed for minimum opening bid amounts.<sup>171</sup>

125. Upon careful consideration of the comments, reply comments, and *ex parte* submission, as well as the history of this particular service, the Bureau has decided to exercise its discretion to adjust upfront payments. In making this change, the Bureau recognizes the concerns expressed regarding relative incumbency of the licenses. The revised upfront payments are calculated on a license-by-license

<sup>162</sup> WCAI Comments at 2, 7-8. WCAI Reply Comments at 2-3. WCAI's Comments provided data on the levels of encumbrance in some, but not all, of the BRS license areas.

<sup>163</sup> WCAI Comments at 2, 7-8. WCAI also asks that these modified upfront payment amounts be accompanied by corresponding adjustments in minimum opening bid amounts.

<sup>164</sup> WCAI Comments at 4-6.

<sup>165</sup> Clearwire Reply Comments at 1-2.

<sup>166</sup> WCAI members *ex parte* filing.

<sup>167</sup> Clearwire Reply Comments at 2.

<sup>168</sup> Ad Hoc Applicants Reply Comments at 1-2.

<sup>169</sup> *Auction 86 Comment Public Notice* at ¶¶ 3-8.

<sup>170</sup> *Id* at ¶ 40.

<sup>171</sup> *Id* at ¶¶ 24, 40.

basis using formulas based on bandwidth, license area population, and the encumbrance data submitted in the *ex parte* filing as follows:<sup>172</sup>

Encumbrance	\$/MHz-pop
0%-20%	\$0.0125
21%-50%	\$0.0100
51%-80%	\$0.0050
above 80%	\$0.0025

126. The results of the formulas are subject to our standard rounding procedures<sup>173</sup> and to a minimum of \$5,000 per license, except for the licenses for BRS service areas in the Gulf of Mexico, for which the upfront payments will be \$20,000 as originally proposed. The upfront payment and bidding units for each license are set forth in Attachment A of this Public Notice.

127. In calculating its upfront payment amount, an applicant should determine the **maximum** number of bidding units on which it may wish to be active (bid on or hold provisionally winning bids on) in any single round, and submit an upfront payment amount covering that number of bidding units.<sup>174</sup> In order to make this calculation, an applicant should add together the upfront payments for all licenses on which it seeks to be active in any given round. **Applicants should check their calculations carefully, as there is no provision for increasing a bidder's eligibility after the upfront payment deadline.**

<b>Example: Upfront Payments and Bidding Flexibility</b>			
<b>License</b>	<b>Market Name</b>	<b>Bidding Units</b>	<b>Upfront Payment</b>
BR-BTA035	Beckley, WV	160,000	\$160,000
BR-BTA048	Bluefield, WV	161,000	\$161,000

If a bidder wishes to bid on both licenses in a round, it must have selected both on its FCC Form 175 and purchased at least 321,000 bidding units (160,000 + 161,000). If a bidder only wishes to bid on one, but not both, purchasing 161,000 bidding units would meet the eligibility requirement for either license. The bidder would be able to bid on either license, but not both at the same time. If the bidder purchased only 160,000 bidding units, it would have enough eligibility for the Beckley, WV license but not for the Bluefield, WV license.

128. If an applicant is a former defaulter, it must calculate its upfront payment for all licenses by multiplying the number of bidding units on which it wishes to be active by 1.5.<sup>175</sup> In order to calculate the number of bidding units to assign to former defaulters, the Commission will divide the upfront payment received by 1.5 and round the result up to the nearest bidding unit.

<sup>172</sup> WCAI members *ex parte* filing. Consistent with potential bidders' due diligence obligations, applicants should make their own assessments of encumbrances relating to licenses in which they are interested.

<sup>173</sup> See note 160 (concerning rounding), above.

<sup>174</sup> A qualified bidder's maximum eligibility will not exceed the sum of the bidding units associated with the total number of licenses selected on its short-form application. In some cases a qualified bidder's maximum eligibility may be less than the amount of its upfront payment because the qualified bidder has either previously been in default on a Commission license or delinquent on non-tax debt owed to a Federal agency (see 47 C.F.R. § 1.2106(a)), or has submitted an upfront payment that exceeds the total amount of bidding units associated with the licenses it selected on its short-form application.

<sup>175</sup> 47 C.F.R. § 1.2106(a).

#### 4. Applicant's Wire Transfer Information for Purposes of Refunds of Upfront Payments

129. To ensure that refunds of upfront payments are processed in an expeditious manner, the Commission is requesting that all pertinent information listed below be supplied. Applicants can provide the information electronically during the initial short-form application filing window after the form has been submitted. (Applicants are reminded that information submitted as part of an FCC Form 175 will be available to the public; for that reason, wire transfer information should not be included in an FCC Form 175.) Wire Transfer Instructions can also be manually faxed to the FCC, Financial Operations, Auctions Accounting Group, Attn: Gail Glasser, at (202) 418-2843 (fax). Eligibility for refunds is discussed in Section V.G., below. All refunds will be returned to the payer of record as identified on the FCC Form 159 unless the payer submits written authorization instructing otherwise. For additional information, please call Gail Glasser at (202) 418-0578.

Name of Bank  
ABA Number  
Address of Bank  
Contact and Phone Number  
Account Number to Credit  
Name of Account Holder  
FCC Registration Number (FRN)  
Correspondent Bank (if applicable)  
ABA Number  
Account Number

#### E. Auction Registration

130. Approximately ten days before the auction, the Bureau will issue a public notice announcing all qualified bidders for the auction. Qualified bidders are those applicants with submitted short-form applications that are deemed complete and upfront payments that are sufficient to make them eligible to bid.

131. All qualified bidders are automatically registered for the auction. Registration materials will be distributed prior to the auction by overnight mail. The mailing will be sent only to the contact person at the contact address listed in the short-form application and will include the SecurID® tokens that will be required to place bids, the "Integrated Spectrum Auction System (ISAS) Bidder's Guide," and the Auction Bidder Line phone number.

132. Qualified bidders that do not receive this registration mailing will not be able to submit bids. Therefore, any qualified bidder that has not received this mailing by noon on Wednesday, October 21, 2009, should call (717) 338-2868. Receipt of this registration mailing is critical to participating in the auction, and each applicant is responsible for ensuring it has received all of the registration material.

133. In the event that SecurID® tokens are lost or damaged, only a person who has been designated as an authorized bidder, the contact person, or the certifying official on the applicant's short-form application may request replacements. Qualified bidders requiring the replacement of these items must call Technical Support at (877) 480-3201, option nine; (202) 414-1250; or (202) 414-1255 (TTY).

#### F. Remote Electronic Bidding

134. The Commission will conduct this auction over the Internet, and telephonic bidding will be available as well. Only qualified bidders are permitted to bid. Each applicant should indicate its bidding preference – electronic or telephonic – on its short-form application. In either case, each authorized bidder must have its own SecurID® token, which the Commission will provide at no charge. Each applicant with one authorized bidder will be issued two SecurID® tokens, while applicants with two or three authorized bidders will be issued three tokens. **For security purposes, the SecurID® tokens,**



the telephonic bidding telephone number, and the “Integrated Spectrum Auction System (ISAS) Bidder’s Guide” are only mailed to the contact person at the contact address listed on the short-form application. Each SecurID® token is tailored to a specific auction. SecurID® tokens issued for other auctions or obtained from a source other than the FCC will not work for Auction 86.

135. Please note that the SecurID® tokens can be recycled, and the Bureau encourages bidders to return the tokens to the FCC. The Bureau will provide pre-addressed envelopes that bidders may use to return the tokens once the auction is closed.

#### **G. Mock Auction – October 23, 2009**

136. All qualified bidders will be eligible to participate in a mock auction on Friday, October 23, 2009. The mock auction will enable applicants to become familiar with the FCC Auction System prior to the auction. Participation by all bidders is strongly recommended. Details will be announced by public notice.

### **IV. AUCTION EVENT**

137. The first round of bidding for Auction 86 will begin on Tuesday, October 27, 2009. In its comments, Utopian Wireless Corporation (“Utopian”) urges the Bureau to commence the auction as soon as possible and not to delay the schedule beyond the announced October 27, 2009, start date. Utopian expresses concern that applications windows for funding under National Telecommunications and Information Administration and Rural Utilities Service programs are approaching, and wants to be sure that potential recipients of federal broadband funding will have an opportunity to acquire spectrum rights to demonstrate their intention to deploy broadband services in their proposed project areas.<sup>176</sup> As indicated by this Public Notice the Bureau does not anticipate any delay in the schedule as previously announced in the *Auction 86 Comment Public Notice*. The initial bidding schedule will be announced in a public notice listing the qualified bidders, which is to be released approximately 10 days before the start of the auction.

#### **A. Auction Structure**

##### **1. Simultaneous Multiple Round Auction**

138. In the *Auction 86 Comment Public Notice*, the Bureau proposed to auction all licenses in Auction 86 in a single auction using the Commission’s standard simultaneous multiple-round (“SMR”) auction format.<sup>177</sup> This type of auction offers every license for bid at the same time and consists of successive bidding rounds in which eligible bidders may place bids on individual licenses. A bidder may bid on, and potentially win, any number of licenses. Typically, bidding remains open on all licenses until bidding stops on every license.

139. No comments were received. Given the nature of the auction inventory, we conclude that the standard SMR auction format will best meet the needs of bidders in Auction 86. Therefore, we adopt our proposal to use a SMR auction format. Unless otherwise announced, bids will be accepted on all licenses in each round of the auction until bidding stops on every license.

##### **2. Information Available to Bidders Before and During the Auction**

140. In the *Auction 86 Comment Public Notice*, the Bureau proposed to withhold, until after the close of bidding, public release of (1) bidders’ license selections on their short-form applications (FCC Form 175), (2) the amounts of bidders’ upfront payments and bidding eligibility, and (3)

---

<sup>176</sup> Utopian Comments at 1-2.

<sup>177</sup> *Auction 86 Comment Public Notice* at ¶ 10.

information that may reveal the identities of bidders placing bids and taking other bidding-related actions.<sup>178</sup>

141. The Public Interest Spectrum Coalition ("PISC") supports anonymous bidding for Auction 86 claiming that anonymous bidding in Auction 73 increased the competitiveness of the auction.<sup>179</sup> WCAI also supports anonymous bidding for Auction 86.<sup>180</sup>

142. We adopt the limited information procedures proposed in the *Auction 86 Comment Public Notice*.<sup>181</sup> Thus, after the conclusion of each round, we will disclose all relevant information about the bids placed and/or withdrawn except the identities of the bidders performing the actions and the net amounts of the bids placed or withdrawn. As in past auctions conducted with limited information procedures, we will indicate, for each license, the minimum acceptable bid amount for the next round and whether the license has a provisionally winning bid. After each round, we will also release, for each license, the number of bidders that placed a bid on the license. Furthermore, we will indicate whether any proactive waivers were submitted in each round, and we will release the stage transition percentage – the percentages of licenses (as measured in bidding units) on which there were new bids – for the round. In addition, bidders can log in to the FCC Auction System to see, after each round, whether their own bids are provisionally winning. We will provide descriptions and/or samples of publicly-available and bidder-specific (non-public) results files prior to the start of the auction.

143. *Other Issues.* Information disclosure procedures established for this auction will not interfere with the administration of or compliance with the Commission's anti-collusion rule. Section 1.2105(c)(1) of the Commission's rules provides that after the short-form application filing deadline, all applicants for licenses in any of the same geographic license areas are prohibited from disclosing to each other in any manner the substance of bids or bidding strategies until after the down payment deadline, subject to specified exceptions.<sup>182</sup>

144. In Auction 86, the Commission will not disclose information regarding license selection or the amounts of bidders' upfront payments and bidding eligibility. As in the past, the Commission will disclose the other portions of applicants' short-form applications through its online database, and certain application-based information through public notices.

145. To assist applicants in identifying other parties subject to the anti-collusion rule, the Bureau will notify separately each applicant that has filed a short-form application to participate in a pending auction whether applicants in Auction 86 have applied for licenses in any of the same geographic areas as the applicant. Specifically, after the Bureau conducts its initial review of applications to participate in Auction 86, it will send to each applicant in Auction 86 a letter that lists the other applicants that have pending short-form applications for licenses in any of the same geographic areas. The list will identify the other applicants by name but will not list their license selections. As in past auctions, additional information regarding other applicants that is needed to comply with Section 1.2105(c) – such as the identities of other applicants' controlling interests and entities with a greater than ten percent

---

<sup>178</sup> *Id.* at ¶ 11.

<sup>179</sup> PISC Comments at 1-3. In support of its Comments, PISC provides a study by Dr. Gregory Rose based on his analysis of the results of Auction 73, a recent auction of 700 MHz band licenses which was conducted using an auction design with package (combinatorial) bidding procedures for certain licenses offered. As described below, the Bureau has not proposed, and will not adopt, package bidding procedures for this auction. For this reason, the Bureau makes no conclusions about the applicability of Dr. Rose's analysis of package bidding to Auction 86, which will be conducted using the Commission's standard simultaneous multiple round bidding format.

<sup>180</sup> WCAI Reply Comments at 3.

<sup>181</sup> *Auction 86 Comment Public Notice* at ¶ 11-12.

<sup>182</sup> 47 C.F.R. § 1.2105(c)(1).

ownership interest – will be available through the publicly accessible online short-form application database.<sup>183</sup>

146. When completing short-form applications, applicants should avoid any statements or disclosures that may violate the Commission's anti-collusion rule, particularly in light of the Commission's procedures regarding the availability of certain information in Auction 86. While applicants' license selection will not be disclosed until after Auction 86 closes, the Commission will disclose other portions of short-form applications through its online database and public notices. Accordingly, applicants should avoid including any information in their short-form applications that might convey information regarding license selections. For example, applicants should avoid using applicant names that refer to licenses being offered, referring to certain licenses or markets in describing bidding agreements, or including any information in attachments that may otherwise disclose applicants' license selections.

147. If an applicant is found to have violated the Commission's rules or antitrust laws in connection with its participation in the competitive bidding process, the applicant may be subject to various sanctions, including forfeiture of its upfront payment, down payment, or full bid amount and prohibition from participating in future auctions.<sup>184</sup>

148. We hereby warn applicants that the direct or indirect communication to other applicants or the public disclosure of non-public information, (e.g., bid withdrawals, proactive waivers submitted, reductions in eligibility) could violate the Commission's anonymous bidding procedures and the anti-collusion rule.<sup>185</sup> **To the extent an applicant believes that such a disclosure is required by law or regulation, including regulations issued by the Securities and Exchange Commission, the Bureau strongly urges that the applicant consult with the Commission before making such disclosure.**

### 3. Eligibility and Activity Rules

149. As discussed above, we will use upfront payments to determine initial (maximum) eligibility (as measured in bidding units) for Auction 86.<sup>186</sup> The amount of the upfront payment submitted by a bidder determines initial bidding eligibility, the maximum number of bidding units on which a bidder may be active. As noted earlier, each license is assigned a specific number of bidding units listed in Attachment A. Bidding units for a given license do not change as prices rise during the auction. A bidder's upfront payment is not attributed to specific licenses. Rather, a bidder may place bids on any of the licenses selected on its short-form application as long as the total number of bidding units associated with those licenses does not exceed its current eligibility. Eligibility cannot be increased during the auction; it can only remain the same or decrease. Thus, in calculating its upfront payment amount, an applicant must determine the maximum number of bidding units it may wish to bid on or hold provisionally winning bids on in any single round, and submit an upfront payment amount covering that total number of bidding units. At a minimum, an applicant's upfront payment must cover the bidding units for at least one of the licenses it selected on its short-form application. The total upfront payment does not affect the total dollar amount a bidder may bid on any given license.

---

<sup>183</sup> For purposes of the anti-collusion rule, the term "applicant" includes all controlling interests, all parties with ownership interests greater than ten percent and all officers and directors of the applicant. 47 C.F.R. § 1.2105(c)(7).

<sup>184</sup> 47 C.F.R. § 1.2109(d).

<sup>185</sup> We note that we also warned bidders that such disclosures could violate our rules prior to then upcoming auction of 700 MHz Band Licenses. See "Wireless Telecommunications Bureau Reminds 700 MHz Auction Applicants of Confidential Nature of Upfront Payment and Other Bidding-Related Information," *Public Notice*, DA 08-13, 23 FCC Rcd 18 (2008).

<sup>186</sup> See Section III.D.3. "Upfront Payments and Bidding Eligibility," above.

150. In order to ensure that an auction closes within a reasonable period of time, an activity rule requires bidders to bid actively throughout the auction, rather than wait until late in the auction before participating. Bidders are required to be active on a specific minimum percentage of their current bidding eligibility during each round of the auction.

151. A bidder's activity level in a round is the sum of the bidding units associated with any licenses covered by new and provisionally winning bids. A bidder is considered active on a license in the current round if it is either the provisionally winning bidder at the end of the previous bidding round and does not withdraw the provisionally winning bid in the current round, or if it submits a bid in the current round (see "Bid Amounts" in Section IV.B.3., below).

152. The minimum required activity is expressed as a percentage of the bidder's current eligibility, and increases by stage as the auction progresses. Because these procedures (as set forth under "Auction Stages" in Section IV.A.4. and "Stage Transitions" in Section IV.A.5. below) have proven successful in maintaining the pace of previous auctions, the Commission adopts them for Auction 86. Failure to maintain the requisite activity level will result in the use of an activity rule waiver, if any remain, or a reduction in the bidder's eligibility, possibly curtailing or eliminating the bidder's ability to place additional bids in the auction.<sup>187</sup>

#### 4. Auction Stages

153. In the *Auction 86 Comment Public Notice*, the Bureau proposed to conduct the auction in two stages and employ an activity rule.<sup>188</sup> Under the Bureau's proposal a bidder desiring to maintain its current bidding eligibility would be required to be active on licenses representing at least 90 percent of its current bidding eligibility, during each round of Stage One, and at least 98 percent of its current bidding eligibility in Stage Two. The Commission received no comments on this proposal.

154. The Bureau has the discretion to further alter the activity requirements before and/or during the auction as circumstances warrant, and also has other mechanisms by which it may influence the speed of an auction. We find, for now, that two stages for an activity requirement adequately balances the desire to conclude the auction quickly with giving sufficient time for bidders to consider the status of the bidding and to place bids. Therefore, we adopt the two stages as described in more detail immediately below.

155. **Stage One:** During the first stage of the auction, a bidder desiring to maintain its current bidding eligibility will be required to be active on licenses representing at least 90 percent of its current bidding eligibility in each bidding round. Failure to maintain the required activity level will result in the use of an activity rule waiver or, if the bidder has no activity rule waivers remaining, a reduction in the bidder's bidding eligibility in the next round. During Stage One, reduced eligibility for the next round will be calculated by multiplying the bidder's current round activity (the sum of bidding units of the bidder's provisionally winning bids and bids during the current round) by ten-ninths (10/9).

156. **Stage Two:** During the second stage of the auction, a bidder desiring to maintain its current bidding eligibility is required to be active on 98 percent of its current bidding eligibility. Failure to maintain the required activity level will result in the use of an activity rule waiver or, if the bidder has no activity rule waivers remaining, a reduction in the bidder's bidding eligibility in the next round. During Stage Two, reduced eligibility for the next round will be calculated by multiplying the bidder's current round activity (the sum of bidding units of the bidder's provisionally winning bids and bids during the current round) by fifty-fortyninths (50/49).

**CAUTION:** Since activity requirements increase in Stage Two, bidders must carefully check their activity during the first round following a stage transition to ensure that they are meeting the

<sup>187</sup> See Section IV.A.6. "Activity Rule Waivers," below.

<sup>188</sup> *Auction 86 Comment Public Notice* at ¶ 28-31.

increased activity requirement. This is especially critical for bidders that have provisionally winning bids and do not plan to submit new bids. In past auctions, some bidders have inadvertently lost bidding eligibility or used an activity rule waiver because they did not re-verify their activity status at stage transitions. Bidders may check their activity against the required activity level by logging into the FCC Auction System.

157. Because the foregoing procedures have proven successful in maintaining the proper pace in previous auctions, we adopt them for Auction 86.

## 5. Stage Transitions

158. In the *Auction 86 Comment Public Notice*, the Bureau proposed that it would advance the auction to the next stage (i.e., from Stage One to Stage Two) after considering a variety of measures of auction activity, including, but not limited to, the percentages of licenses (as measured in bidding units) on which there are new bids, the number of new bids, and the increase in revenue.<sup>189</sup> The Bureau further proposed that it would retain the discretion to change the activity requirements during the auction. For example, the Bureau could decide not to transition to Stage Two if it believes the auction is progressing satisfactorily under the Stage One activity requirement, or to transition to Stage Two with an activity requirement that is higher or lower than the 98 percent. The Bureau proposed to alert bidders of stage advancements by announcement during the auction. The Bureau received no comments on this issue.

159. We adopt our proposal for stage transitions. Thus, the auction will start in Stage One.<sup>190</sup> The Bureau will regulate the pace of the auction by announcement. The Bureau retains the discretion to transition the auction to Stage Two, to add an additional stage with a higher activity requirement, not to transition to Stage Two, and to transition to Stage Two with an activity requirement that is higher or lower than 98 percent. This determination will be based on a variety of measures of auction activity, including, but not limited to, the number of new bids and the percentages of licenses (as measured in bidding units) on which there are new bids.<sup>191</sup>

## 6. Activity Rule Waivers

160. In the *Auction 86 Comment Public Notice*, the Bureau proposed that each bidder in the auction be provided with three activity rule waivers.<sup>192</sup> We received no comments on this issue.

161. Therefore, we adopt our proposal to provide bidders with three activity rule waivers. Bidders may use an activity rule waiver in any round during the course of the auction. Use of an activity rule waiver preserves the bidder's current bidding eligibility despite the bidder's activity in the current round being below the required minimum activity level. An activity rule waiver applies to an entire round of bidding and not to a particular license. Activity rule waivers can be either applied proactively by the bidder (a "proactive waiver") or applied automatically by the FCC Auction System (an "automatic waiver") and are principally a mechanism for auction participants to avoid the loss of bidding eligibility in the event that exigent circumstances prevent them from placing a bid in a particular round.

162. The FCC Auction System assumes that bidders with insufficient activity would prefer to apply an activity rule waiver (if available) rather than lose bidding eligibility. Therefore, the system will

---

<sup>189</sup> *Id.* at ¶ 29.

<sup>190</sup> The stage of the auction does not affect the auction stopping rules; the auction may conclude in Stage One. See Section IV.A.7. "Auction Stopping Rules," below.

<sup>191</sup> When monitoring activity for determining when to change stages, we may consider the percentage of bidding units of the licenses receiving new provisionally winning bids, excluding any FCC-held licenses. In past auctions, the Bureau has generally changed stages when this measure was approximately twenty percent or below for three consecutive rounds of bidding.

<sup>192</sup> *Auction 86 Comment Public Notice* at ¶ 36.

automatically apply a waiver at the end of any bidding round where a bidder's activity level is below the minimum required unless (1) there are no activity rule waivers available or (2) the bidder overrides the automatic application of a waiver by reducing eligibility. If a bidder has no waivers remaining and does not satisfy the activity requirement, the FCC Auction System will permanently reduce the bidder's eligibility, possibly curtailing or eliminating the bidder's ability to place additional bids in the auction.

163. A bidder with insufficient activity that wants to reduce its bidding eligibility rather than use an activity rule waiver must affirmatively override the automatic waiver mechanism during the bidding round by using the "reduce eligibility" function in the FCC Auction System. In this case, the bidder's eligibility is permanently reduced to bring the bidder into compliance with the activity rules as described in "Auction Stages" (*see* Section IV.A.4. above). Once eligibility has been reduced, a bidder will not be permitted to regain its lost bidding eligibility even if the round has not yet ended.

164. Finally, a bidder may apply an activity rule waiver proactively as a means to keep the auction open without placing a bid. If a bidder proactively applies an activity waiver (using the "apply waiver" function in the FCC Auction System) during a bidding round in which no bids are placed or withdrawn, the auction will remain open and the bidder's eligibility will be preserved. However, an automatic waiver applied by the FCC Auction System in a round in which there are no new bids, withdrawals, or proactive waivers will not keep the auction open. A bidder cannot submit a proactive waiver after submitting a bid in a round, and submitting a proactive waiver will preclude a bidder from placing any bids in that round. **It is important for bidders to understand that applying a waiver is irreversible. Once a bidder submits a proactive waiver, the bidder cannot unsubmit the waiver even if the round has not yet ended.**

## 7. Auction Stopping Rules

165. For Auction 86, the Bureau proposed to employ a simultaneous stopping rule approach.<sup>193</sup> A simultaneous stopping rule means that all licenses remain available for bidding until bidding closes simultaneously on all licenses. More specifically, bidding will close simultaneously on all licenses after the first round in which no bidder submits any new bids, applies a proactive waiver, or withdraws any provisionally winning bids.

166. The Bureau also sought comment on alternative versions of the simultaneous stopping rule for Auction 86:

Option 1. The auction would close for all licenses after the first round in which no bidder applies a waiver, withdraws a provisionally winning bid, or places any new bids on any license on which it is not the provisionally winning bidder. Thus, absent any other bidding activity, a bidder placing a new bid on a license for which it is the provisionally winning bidder would not keep the auction open under this modified stopping rule.

Option 2. The auction would end after a specified number of additional rounds. If the Bureau invokes this special stopping rule, it will accept bids in the specified final round(s) and the auction will close.

Option 3. The auction would remain open even if no bidder places any new bids, applies a waiver, or withdraws any provisionally winning bids. In this event, the activity rule will apply as usual, and a bidder with insufficient activity will either lose bidding eligibility or use a waiver.

167. The Bureau proposed to exercise these options only in circumstances such as where the auction is proceeding unusually slowly or quickly, where there is minimal overall bidding activity, or where it appears likely that the auction will not close within a reasonable period of time or will close prematurely.<sup>194</sup> The Bureau noted that before exercising these options, it is likely to attempt to change the

<sup>193</sup> *Auction 86 Comment Public Notice* at ¶ 20.

<sup>194</sup> *Id.* at ¶ 22.

pace of the auction by, for example, changing the number of bidding rounds per day and/or changing minimum acceptable bids.<sup>195</sup> The Bureau proposed to retain the discretion to exercise any of these options with or without prior announcement during the auction.<sup>196</sup> The Bureau received no comment on these proposals, and we adopt them for Auction 86.

## **8. Auction Delay, Suspension, or Cancellation**

168. In the *Auction 86 Comment Public Notice*, the Bureau proposed that, by public notice or by announcement during the auction, it may delay, suspend, or cancel the auction in the event of natural disaster, technical obstacle, administrative or weather necessity, evidence of an auction security breach or unlawful bidding activity, or for any other reason that affects the fair and efficient conduct of competitive bidding.<sup>197</sup> The Bureau received no comment on this issue.

169. Because our approach to notification of delay during an auction has proven effective in resolving exigent circumstances in previous auctions, we adopt the Bureau's proposed rules regarding auction delay, suspension, or cancellation. By public notice or by announcement during the auction, the Bureau may delay, suspend, or cancel the auction in the event of natural disaster, technical obstacle, administrative or weather necessity, evidence of an auction security breach or unlawful bidding activity, or for any other reason that affects the fair and efficient conduct of competitive bidding. In such cases, the Bureau, in its sole discretion, may elect to resume the auction starting from the beginning of the current round, resume the auction starting from some previous round, or cancel the auction in its entirety. Network interruption may cause the Bureau to delay or suspend the auction. We emphasize that exercise of this authority is solely within the discretion of the Bureau, and its use is not intended to be a substitute for situations in which bidders may wish to apply their activity rule waivers.

## **B. Bidding Procedures**

### **1. Round Structure**

170. The initial schedule of bidding rounds will be announced in the public notice listing the qualified bidders, which is released approximately 10 days before the start of the auction. Each bidding round is followed by the release of round results. Multiple bidding rounds may be conducted in a given day. Details regarding round results formats and locations will also be included in the qualified bidders public notice.

171. The Bureau has discretion to change the bidding schedule in order to foster an auction pace that reasonably balances speed with the bidders' need to study round results and adjust their bidding strategies. The Bureau may increase or decrease the amount of time for the bidding rounds, the amount of time between rounds, or the number of rounds per day, depending upon bidding activity and other factors.

### **2. Reserve Price and Minimum Opening Bids**

172. Section 309(j) of the Communications Act of 1934, as amended, calls upon the Commission to prescribe methods by which a reasonable reserve price will be required or a minimum opening bid established when applications for FCC licenses are subject to auction (i.e., because they are mutually exclusive), unless the Commission determines that a reserve price or minimum opening bid is not in the public interest.<sup>198</sup> Consistent with this mandate, the Commission directed the Bureau to seek

---

<sup>195</sup> *Id.*

<sup>196</sup> *Id.*

<sup>197</sup> *Id.* at 23.

<sup>198</sup> 47 U.S.C. § 309(j)(4)(F).

comment on the use of a minimum opening bid and/or reserve price prior to the start of each auction.<sup>199</sup> Among other factors, the Bureau must consider the amount of spectrum being auctioned, levels of incumbency, the availability of technology to provide service, the size of the geographic service areas, the extent of interference with other spectrum bands, and any other relevant factors that could have an impact on the spectrum being auctioned.<sup>200</sup> The Commission concluded that the Bureau should have the discretion to employ either or both of these mechanisms for future auctions.<sup>201</sup>

173. In the *Auction 86 Comment Public Notice*, the Bureau did not propose to establish a separate reserve price for the licenses to be offered in Auction 86. The Bureau, however, did propose to establish minimum opening bids for each license, reasoning that a minimum opening bid, which has been used on other auctions, is an effective bidding tool for accelerating the competitive bidding process.<sup>202</sup> Specifically, for Auction 86, the Bureau proposed to calculate minimum opening bid amounts on a license-by-license basis using a formula based on bandwidth and license area population as follows:

$\$0.01 * \text{MHz} * \text{BTA population with a minimum of } \$20,000 \text{ per license.}$ <sup>203</sup>

174. The Bureau sought comment on this proposal and, in the alternative, on whether, consistent with Section 309(j), the public interest would be served by having no minimum opening bids.<sup>204</sup>

175. As discussed above, several commenters seek a downward adjustment in the formula for calculating minimum opening bids (as well as the formula for upfront payments).<sup>205</sup> Commenters offer two alternatives to the upfront payment amounts and minimum opening bids proposed in the *Auction 86 Comment Public Notice*.

176. In the *Auction 86 Comment Public Notice*, the Bureau noted the presence of pre-existing BRS site-based incumbent licenses within some of the geographic areas available in Auction 86.<sup>206</sup> In its discussion of the proposed minimum opening bid amounts, the Bureau noted, “we have not attempted to adjust minimum opening bid amounts for licenses based on precise levels of incumbency within particular geographic areas, and have instead proposed a formula... intended to reflect overall incumbency levels within the BRS service areas being offered.”<sup>207</sup>

177. Upon careful consideration of the comments, reply comments, and *ex parte* submission, as well as the history of this particular service, the Bureau has decided to exercise its discretion to adjust minimum opening bids. In making this change, the Bureau recognizes the concerns expressed regarding relative incumbency of the licenses. The revised minimum opening bids are calculated on a license-by-

---

<sup>199</sup> Amendment of Part 1 of the Commission’s Rules — Competitive Bidding Procedures, WT Docket No. 97-82, *Third Report and Order and Second Further Notice of Proposed Rule Making*, FCC 97-413, 13 FCC Rcd 375, 455-56 ¶ 141 (1997) (“*Part 1 Third Report and Order*”).

<sup>200</sup> *Id.*

<sup>201</sup> *Id.*

<sup>202</sup> *Auction 86 Comment Public Notice* at ¶ 39.

<sup>203</sup> Results above \$10,000 are rounded to the nearest \$1,000; results below \$10,000 but above \$1,000 are rounded to the nearest \$100; and results below \$1,000 are rounded to the nearest \$10.

<sup>204</sup> *Auction 86 Comment Public Notice* at ¶ 40.

<sup>205</sup> See section IV.B.2., above.

<sup>206</sup> *Auction 86 Comment Public Notice* at ¶¶ 3-8.

<sup>207</sup> *Id.* at ¶ 40.



license basis using formulas based on bandwidth, license area population, and the encumbrance data submitted in the *ex parte* filing as follows.<sup>208</sup>

Encumbrance	\$/MHz-pop
0%-20%	\$0.0125
21%-50%	\$0.0100
51%-80%	\$0.0050
above 80%	\$0.0025

178. The results of the formulas are subject to our standard rounding procedures<sup>209</sup> and to a minimum of \$5,000 per license, except for the licenses for BRS service areas in the Gulf of Mexico, for which the minimum opening bids will be \$20,000 as originally proposed. The specific minimum opening bid amounts for each license available in Auction 86 calculated pursuant to the procedure described above are set forth in Attachment A.

### 3. Bid Amounts

179. In the *Auction 86 Comment Public Notice*, the Bureau proposed that in each round, eligible bidders be able to place a bid on a given license using one or more pre-defined bid amounts.<sup>210</sup> Under the proposal, the FCC Auction System interface will list the acceptable bid amounts for each license.<sup>211</sup> The Commission received no comment on this issue. Based on the Commission's experience in prior auctions, we adopt the proposals for Auction 86.

#### a. Minimum Acceptable Bids

180. Under our proposed procedures, the first of the acceptable bid amounts is called the minimum acceptable bid amount. The minimum acceptable bid amount for a license will be equal to its minimum opening bid amount until there is a provisionally winning bid on the license. After there is a provisionally winning bid for a license, the minimum acceptable bid amount for that license will be equal to the amount of the provisionally winning bid plus a percentage of that bid amount calculated using the formula described below. In general, the percentage will be higher for a license receiving many bids than for a license receiving few bids. In the case of a license for which the provisionally winning bid has been withdrawn, the minimum acceptable bid amount will equal the second highest bid received for the license.<sup>212</sup>

181. The percentage of the provisionally winning bid used to establish the minimum acceptable bid amount (the "additional percentage") is calculated at the end of each round, based on an activity index. The activity index is a weighted average of (a) the number of bidders placing a bid on the license, and (b) the activity index from the prior round. Specifically, the activity index is equal to a weighting factor times the number of bidders placing a bid on the license in the most recent bidding round plus one minus the weighting factor times the activity index from the prior round.<sup>213</sup> The additional

<sup>208</sup> WCAI members *ex parte* filing. Consistent with potential bidders' due diligence obligations, applicants should make their own assessments of encumbrances relating to licenses in which they are interested.

<sup>209</sup> See note 203 (concerning rounding), above.

<sup>210</sup> Bidders must have sufficient eligibility to place a bid on the particular license. See Section III.D.3 "Upfront Payments and Bidding Eligibility," above.

<sup>211</sup> In the event of duplicate bid amounts due to rounding, the FCC Auction System will omit the duplicates and will list fewer acceptable bid amounts for the license.

<sup>212</sup> See Section IV.B.6. "Bid Removal and Bid Withdrawal," below.

<sup>213</sup> For Round 1 calculations, because there is no prior round (i.e., no round 0), the activity index from the prior round is set at 0.

percentage is determined as one plus the activity index times a minimum percentage amount, with the result not to exceed a maximum. The additional percentage is then multiplied by the provisionally winning bid amount to obtain the minimum acceptable bid for the next round.

182. The Bureau proposed initially to set the weighting factor at 0.5, the minimum percentage (floor) at 0.1 (10%), and the maximum percentage (ceiling) at 0.3 (30%). At these initial settings, the minimum acceptable bid for a license will generally be between ten percent and thirty percent higher than the provisionally winning bid, depending upon the bidding activity for the license.<sup>214</sup> Equations and examples are shown in Attachment E.

**b. Additional Bid Amounts**

183. Any additional bid amounts are calculated using the minimum acceptable bid amount and a bid increment percentage – more specifically, by multiplying the minimum acceptable bid by one plus successively higher multiples of the bid increment percentage. If, for example, the bid increment percentage is five percent, the calculation of the first additional acceptable bid amount is (minimum acceptable bid amount) \* (1 + 0.05), or (minimum acceptable bid amount) \* 1.05; the second additional acceptable bid amount equals the minimum acceptable bid amount times one plus two times the bid increment percentage, or (minimum acceptable bid amount) \* 1.1, etc. The Bureau will round the results of these calculations and the minimum acceptable bid calculations using the Bureau's standard rounding procedures.

184. For Auction 86, the Bureau proposed to set the bid increment percentage at 0.05, so that any additional bid amounts would increase by approximately 5 percent of the minimum acceptable bid. We received no comments on this proposal. Therefore, we adopt our proposal to begin the auction with a bid increment percentage of 0.05.<sup>215</sup>

185. The Bureau also sought comment on whether we should start Auction 86 with eight additional bid amounts (for a total of nine bid amounts) or with fewer or no additional bid amounts per license. We received no comments on this proposal. We adopt our proposal, and Auction 86 will begin with eight additional bid amounts per license.<sup>216</sup>

186. The Bureau also sought comment on circumstances under which the Bureau should cap (a) the amount by which a minimum acceptable bid for a license may increase compared with the corresponding provisionally winning bid, and (b) the amount by which an additional bid amount may increase compared with the immediately preceding acceptable bid amount. No commenters addressed this question.

187. We will start the auction without a cap on the dollar amount by which minimum acceptable bids and additional bid amounts may increase. The Bureau retains the discretion to impose a cap on bid amounts.

188. The Bureau retains the discretion to change the minimum acceptable bid amounts, the additional bid amounts, the cap on bid amounts, the number of acceptable bid amounts, and the parameters of the formulas used to calculate minimum acceptable bid amounts and additional bid amounts

---

<sup>214</sup> Results are rounded using our standard rounding procedure: results above \$10,000 are rounded to the nearest \$1,000; results below \$10,000 but above \$1,000 are rounded to the nearest \$100; and results below \$1,000 are rounded to the nearest \$10. Also, when a cap on increases in bid amounts is in effect, minimum acceptable bid amounts may increase by less than the minimum percentage (floor).

<sup>215</sup> When a cap on increases in bid amounts is in effect, additional bid amounts may increase by less than the bid increment percentage.

<sup>216</sup> In the event of duplicate bid amounts due to rounding, the FCC Auction System will omit the duplicates and will list fewer acceptable bid amounts for the license.

if it determines that circumstances so dictate. Further, the Bureau retains the discretion to do so on a license-by-license basis.

#### 4. Provisionally Winning Bids

189. At the end of each bidding round, a “provisionally winning bid” will be determined based on the highest bid amount received for each license. A provisionally winning bid will remain the provisionally winning bid until there is a higher bid on the same license at the close of a subsequent round. Provisionally winning bids at the end of the auction become the winning bids. Bidders are reminded that provisionally winning bids count toward activity for purposes of the activity rule.<sup>217</sup>

190. In the *Auction 86 Comment Public Notice*, the Bureau proposed to use a random number generator to select a single provisionally winning bid in the event of identical high bid amounts being submitted on a license in a given round (i.e., tied bids).<sup>218</sup> No comments were received on this proposal.

191. Hence, we adopt the proposal described above. The FCC Auction System will assign a random number to each bid upon submission. The tied bid with the highest random number wins the tiebreaker, and becomes the provisionally winning bid. Bidders, regardless of whether they hold a provisionally winning bid, can submit higher bids in subsequent rounds. However, if the auction were to end with no other bids being placed, the winning bidder would be the one that placed the provisionally winning bid.

#### 5. Bidding

192. All bidding will take place remotely either through the FCC Auction System or by telephonic bidding. There will be no on-site bidding during Auction 86. Please note that telephonic bid assistants are required to use a script when entering bids placed by telephone. Telephonic bidders are therefore reminded to allow sufficient time to bid by placing their calls well in advance of the close of a round. The length of a call to place a telephonic bid may vary; please allow a minimum of ten minutes.

193. A bidder’s ability to bid on specific licenses is determined by two factors: (1) the licenses selected on the bidder’s FCC Form 175 and (2) the bidder’s eligibility. The bid submission screens will allow bidders to submit bids on only those licenses the bidder selected on its FCC Form 175.

194. In order to access the bidding function of the FCC Auction System, bidders must be logged in during the bidding round using the passcode generated by the SecurID® token and a personal identification number (“PIN”) created by the bidder. Bidders are strongly encouraged to print a “round summary” for each round after they have completed all of their activity for that round.

195. In each round, eligible bidders will be able to place bids on a given license in one or more pre-defined bid amounts.<sup>219</sup> For each license, the FCC Auction System will list the acceptable bid amounts in a drop-down box.<sup>220</sup> Bidders use the drop-down box to select from among the acceptable bid amounts. The FCC Auction System also includes an “upload” function that allows bidders to upload text files containing bid information.

196. Until a bid has been placed on a license, the minimum acceptable bid amount for that license will be equal to its minimum opening bid amount. Once there are bids on a license, minimum acceptable bids for a license will be determined as described in Section IV.B.3, above.

---

<sup>217</sup> Section IV.A.3. “Eligibility and Activity Rules,” above.

<sup>218</sup> *Auction 86 Comment Public Notice* at ¶ 48.

<sup>219</sup> Bidders must have sufficient eligibility to place a bid on the particular license. See Section III.D.3. “Upfront Payments and Bidding Eligibility,” above.

<sup>220</sup> See Section IV.B.3. “Bid Amounts,” above.

197. During a round, an eligible bidder may submit bids for as many licenses as it wishes (providing that it is eligible to bid), remove bids placed in the current bidding round, withdraw provisionally winning bids from previous rounds, or permanently reduce eligibility. If a bidder submits multiple bids for the same license in the same round – multiple bids on the exact same license, the system takes the last bid entered as that bidder’s bid for the round. Bidders should note that the bidding units associated with licenses for which the bidder has removed or withdrawn its bid do not count towards the bidder’s current activity.

198. Finally, bidders are cautioned to select their bid amounts carefully because, as explained below, bidders that withdraw a provisionally winning bid from a previous round, even if the bid was mistakenly or erroneously made, are subject to bid withdrawal payments.

## **6. Bid Removal and Bid Withdrawal**

199. In the *Auction 86 Comment Public Notice*, the Commission proposed bid removal and bid withdrawal procedures.<sup>221</sup> The Bureau sought comment on permitting a bidder to remove a bid before the close of the round in which the bid was placed. With respect to bid withdrawals, the Commission proposed limiting each bidder to withdrawals of provisionally winning bids on licenses in no more than one round during the course of the auction. The round in which withdrawals are used would be at each bidder’s discretion.

200. The Bureau received no comments on this issue. Therefore, we adopt our proposal.

201. *Bid Removal.* Before the close of a bidding round, a bidder has the option of removing any bids placed in that round. By using the “remove bids” function in the FCC Auction System, a bidder may effectively “unsubmit” any bid placed within that round. A bidder removing a bid placed in the same round is not subject to withdrawal payments. Removing a bid will affect a bidder’s activity for the round in which it is removed, i.e., a bid that is removed does not count toward bidding activity.

202. *Bid Withdrawal.* Once a round closes, a bidder may no longer remove a bid. However, in a later round, a bidder may withdraw provisionally winning bids from previous rounds for licenses using the “withdraw bids” function in the FCC Auction System. A provisionally winning bidder that withdraws its provisionally winning bid from a previous round during the auction is subject to the bid withdrawal payments specified in Section 1.2104(g).<sup>222</sup> Once a withdrawal is submitted during a round, that withdrawal cannot be unsubmitted even if the round has not yet ended.

203. If a provisionally winning bid is withdrawn, the minimum acceptable bid amount will equal the amount of the second highest bid received for the license, which may be less than, or in the case of tied bids, equal to, the amount of the withdrawn bid.<sup>223</sup> The Commission will serve as a placeholder provisionally winning bidder on the license until a new bid is submitted on that license.

204. These procedures will permit bidder flexibility during the auction, and therefore the Bureau adopts them for Auction 86.

205. *Calculation of Bid Withdrawal Payment.* Generally, the Commission imposes payments on bidders that withdraw high bids during the course of an auction.<sup>224</sup> If a bidder withdraws its bid and there is no higher bid in the same or subsequent auction(s), the bidder that withdrew its bid is responsible

---

<sup>221</sup> *Auction 86 Comment Public Notice* at ¶¶ 50-54.

<sup>222</sup> 47 C.F.R. § 1.2104(g).

<sup>223</sup> The Bureau retains the discretion to lower the minimum acceptable bid on such licenses in the next round or in later rounds.

<sup>224</sup> 47 C.F.R. §§ 1.2104(g), 1.2109.

for the difference between its withdrawn bid and the winning bid in the same or subsequent auction(s).<sup>225</sup> If there are multiple bid withdrawals on a single license and no subsequent higher bid is placed and/or the license is not won in the same auction, the payment for each bid withdrawal will be calculated based on the sequence of bid withdrawals and the amounts withdrawn. No withdrawal payment will be assessed for a withdrawn bid if either the subsequent winning bid or any subsequent intervening withdrawn bid, in either the same or subsequent auction(s), equals or exceeds that withdrawn bid. Thus, a bidder that withdraws a bid will not be responsible for any final withdrawal payment if there is a subsequent higher bid in the same or subsequent auction(s).<sup>226</sup>

206. Section 1.2104(g)(1) of the rules sets forth the payment obligations of a bidder that withdraws a provisionally winning bid on a license during the course of an auction, and provides for the assessment of interim bid withdrawal payments.<sup>227</sup> In the *Auction 86 Comment Public Notice*, the Bureau proposed to establish the percentage at 15% for Auction 86 and sought comment on the proposal.<sup>228</sup>

207. The Bureau received no comments on this issue and adopts its proposal. The Commission will assess an interim withdrawal payment equal to 15% of the amount of the withdrawn bids. The 15% interim payment will be applied toward any final bid withdrawal payment that will be assessed after subsequent auction of the license. Assessing an interim bid withdrawal payment ensures that the Commission receives a minimal withdrawal payment pending assessment of any final withdrawal payment. Section 1.2104(g) provides specific examples showing application of the bid withdrawal payment rule.<sup>229</sup>

## 7. Round Results

208. Limited information about the results of a round will be made public after the conclusion of the round.<sup>230</sup> Specifically, after a round closes, the Bureau will make available for each license, its current provisionally winning bid amount, the minimum acceptable bid amount for the following round, the amounts of all bids placed on the license during the round, and whether the license is FCC held. The system will also provide an entire license history detailing all activity that has taken place on a license with the ability to sort by round number. The reports will be publicly accessible. Moreover, after the auction, the Bureau will make available complete reports of all bids placed during each round of the auction, including bidder identities.

## 8. Auction Announcements

209. The Commission will use auction announcements to announce items such as schedule changes and stage transitions. All auction announcements will be available by clicking a link in the FCC Auction System.

---

<sup>225</sup> The payment will equal the lower of: (1) the difference between the net withdrawn bid and the subsequent net winning bid; or (2) the difference between the gross withdrawn bid and the subsequent gross winning bid. See 47 C.F.R. § 1.2104(g)(1).

<sup>226</sup> See following paragraph for discussion of interim bid withdrawal payments.

<sup>227</sup> 47 C.F.R. § 1.2104(g)(1); see *Part 1 Fifth Report and Order*, 15 FCC Rcd at 15,302 ¶ 15.

<sup>228</sup> *Auction 86 Comment Public Notice* at ¶ 54.

<sup>229</sup> 47 C.F.R. § 1.2104(g).

<sup>230</sup> The identities of parties that are qualified to bid in Auction 86 will be available before the auction. Thus, bidders will know in advance of this auction the identities of the other parties against which they may be bidding in the auction.

## V. POST-AUCTION PROCEDURES

210. Shortly after bidding has ended, the Commission will issue a public notice declaring the auction closed, identifying the winning bidders, and establishing the deadlines for submitting down payments, long-form applications, final payments, and ownership disclosure information reports.

### A. Down Payments

211. Within ten business days after release of the auction closing notice, each winning bidder must submit sufficient funds (in addition to its upfront payment) to bring its total amount of money on deposit with the Commission for Auction 86 to 20 percent of the net amount of its winning bids (gross bids less any applicable entrepreneur, small business or very small business bidding credits).<sup>231</sup>

### B. Final Payments

212. Each winning bidder will be required to submit the balance of the net amount of its winning bids within 10 business days after the applicable deadline for submitting down payments.<sup>232</sup>

### C. Long-Form Application (FCC Form 601)

213. Within ten business days after release of the auction closing notice, winning bidders must electronically submit a properly completed long-form application (FCC Form 601) for the license(s) they won through Auction 86. Winning bidders claiming eligibility for a small business, very small business, or entrepreneur bidding credit must demonstrate their eligibility for the bidding credit.<sup>233</sup> Further filing instructions will be provided to winning bidders in the auction closing notice.

214. Winning bidders organized as bidding consortia must comply with the long-form application procedures established in the *CSEA/Part 1 Report and Order*.<sup>234</sup> Specifically, each member (or group of members) of a winning consortium seeking separate licenses will be required to file a separate long-form application for its respective license(s). If the license is to be partitioned or disaggregated, the member (or group) filing the long-form application must provide the relevant partitioning or disaggregation agreement in its long-form application. In addition, if two or more consortium members wish to be licensed together, they must first form a legal business entity, and any such entity must meet the applicable designated entity criteria.<sup>235</sup>

### D. Ownership Disclosure Information Report (FCC Form 602)

215. Within ten business days after release of the auction closing notice, each winning bidder must also comply with the ownership reporting requirements in Sections 1.913, 1.919, and 1.2112 of the Commission's rules<sup>236</sup> by submitting an ownership disclosure information report (FCC Form 602) with its long-form application.<sup>237</sup>

216. If an applicant already has a complete and accurate FCC Form 602 on file in ULS, it is not necessary to file a new report, but applicants must verify that the information on file with the

<sup>231</sup> 47 C.F.R. § 1.2107(b).

<sup>232</sup> 47 C.F.R. § 1.2109(a).

<sup>233</sup> 47 C.F.R. § 1.2112(b).

<sup>234</sup> *CSEA/Part 1 Report and Order*, 21 FCC Rcd at 911-12 ¶¶ 51-52, *recon. pending*. Applicants applying as consortia should review the *CSEA/Part 1 Report and Order* in detail and monitor any relevant future proceedings to understand how the members of the consortia will apply for a license in the event they are winning bidders.

<sup>235</sup> *Id.*

<sup>236</sup> 47 C.F.R. §§ 1.913, 1.919, and 1.2112.

<sup>237</sup> See 47 C.F.R. § 1.2107(f).

Commission is complete and accurate. If the applicant does not have an FCC Form 602 on file, or if it is not complete and accurate, the applicant must submit one.

217. When an applicant submits a short-form application, ULS automatically creates an ownership record. This record is not an FCC Form 602, but may be used to pre-fill the FCC Form 602 with the ownership information submitted on the applicant's short-form application. Applicants must review the pre-filled information and confirm that it is complete and accurate as of the filing date of the long-form application before certifying and submitting the FCC Form 602. Further instructions will be provided to winning bidders in the auction closing notice.

#### **E. Tribal Lands Bidding Credit**

218. A winning bidder that intends to use its license(s) to deploy facilities and provide services to federally recognized tribal lands that are unserved by any telecommunications carrier or that have a wireline penetration rate equal to or below 85 percent is eligible to receive a tribal lands bidding credit as set forth in Sections 1.2107 and 1.2110(f).<sup>238</sup> A tribal lands bidding credit is in addition to, and separate from, any other bidding credit for which a winning bidder may qualify.

219. Unlike other bidding credits that are requested prior to the auction, a winning bidder applies for the tribal lands bidding credit after winning the auction when it files its long-form application (FCC Form 601). When initially filing the long-form application, the winning bidder will be required to advise the Commission whether it intends to seek a tribal lands bidding credit, for each license won in the auction, by checking the designated box(es). After stating its intent to seek a tribal lands bidding credit, the applicant will have 180 days from the close of the long-form filing window to amend its application to select the specific tribal lands to be served and provide the required tribal government certifications. Licensees receiving a tribal lands bidding credit are subject to performance criteria as set forth in Section 1.2110(f)(3)(vii).<sup>239</sup>

220. For additional information on the tribal lands bidding credit, including how the amount of the credit is calculated, applicants should review the Commission's rule making proceeding regarding tribal lands bidding credits and related public notices.<sup>240</sup> Relevant documents can be viewed on the Commission's web site by going to <http://wireless.fcc.gov/auctions/> and clicking on the **Tribal Lands Credits** link.

#### **F. Default and Disqualification**

221. Any winning bidder that defaults or is disqualified after the close of the auction (i.e., fails to remit the required down payment within the prescribed period of time, fails to submit a timely long-form application, fails to make full payment, or is otherwise disqualified) will be subject to the payments

<sup>238</sup> 47 C.F.R. §§ 1.2107 and 1.2110(f).

<sup>239</sup> See 47 C.F.R. §§ 1.2110(f)(3)(ii) – (vii).

<sup>240</sup> See generally, *Extending Wireless Telecommunications Services to Tribal Lands*, WT Docket No. 99-266, *Report and Order and Further Notice of Proposed Rule Making*, FCC 00-209, 15 FCC Rcd 11,794 (2000); *Extending Wireless Telecommunications Services to Tribal Lands*, WT Docket No. 99-266, *Second Report and Order and Second Further Notice of Proposed Rulemaking*, FCC 03-51, 18 FCC Rcd 4775, 4778-79 ¶ 10 (2003); *Extending Wireless Telecommunications Services to Tribal Lands*, WT Docket No. 99-266, *Third Report and Order*, FCC 04-202, 19 FCC Rcd 17,652 (2004). See also "Wireless Telecommunications Bureau Announces Enhancements to the Universal Licensing System to Help Winning Bidders of FCC Auctions File for Tribal Lands Bidding Credits," *Public Notice*, DA 01-613, 16 FCC Rcd 5355 (2001); "Wireless Telecommunications Bureau Releases Additional Information Regarding the Procedures for Obtaining a Tribal Lands Bidding Credit and List of Tribal Lands," *Public Notice*, DA 00-2836, 15 FCC Rcd 24,838 (2000); "Wireless Telecommunications Bureau Announces Availability of Bidding Credits for Providing Wireless Services to Qualifying Tribal Lands: Tribal Lands Bidding Credits to be Available Beginning in Auction No. 36 (800 MHz Specialized Mobile Radio (SMR) Lower 80 Channels) and in Future Auctions," *Public Notice*, DA 00-2219, 15 FCC Rcd 18,351 (2000).

described in Section 1.2104(g)(2).<sup>241</sup> The payments include both a deficiency payment, equal to the difference between the amount of the bidder's bid and the amount of the winning bid the next time a license covering the same spectrum is won in an auction, plus an additional payment equal to a percentage of the defaulter's bid or of the subsequent winning bid, whichever is less.

222. The percentage of the applicable bid to be assessed as an additional payment for defaults in a particular auction is established in advance of the auction. Accordingly, in the *Auction 86 Comment Public Notice*, we proposed to set the additional default payment for this auction at fifteen percent of the applicable bid. We received no comments on this proposal and therefore adopt the proposal.

223. Finally, in the event of a default, the Commission may re-auction the license or offer it to the next highest bidder (in descending order) at its final bid amount.<sup>242</sup> In addition, if a default or disqualification involves gross misconduct, misrepresentation, or bad faith by an applicant, the Commission may declare the applicant and its principals ineligible to bid in future auctions, and may take any other action that it deems necessary, including institution of proceedings to revoke any existing licenses held by the applicant.<sup>243</sup>

#### G. Refund of Remaining Upfront Payment Balance

224. After the auction, applicants that are not winning bidders or are winning bidders whose upfront payment exceeded the total net amount of their winning bids may be entitled to a refund of some or all of their upfront payment. All refunds will be returned to the payer of record, as identified on the FCC Form 159, unless the payor submits written authorization instructing otherwise. Bidders should not request a refund of their upfront payments before the Commission releases a public notice declaring the auction closed, identifying the winning bidders, and establishing the deadlines for submitting down payments, long-form applications, and final payments.

225. Bidders are encouraged to file their refund information electronically using the **Refund Information** icon found on the *Auction Application Manager* page or through the **Wire Transfer for Refund Purposes** link available in various locations throughout the FCC Auction System. If an applicant has completed the refund instructions electronically, the refund will be sent automatically. If an applicant has not completed the refund instructions electronically, the applicant must send a written request to include the following information:

Name, address, contact and phone number of Bank  
ABA Number  
Account Number to Credit  
Name of Account Holder  
FCC Registration Number (FRN)

The refund request can be submitted by fax to the Auctions Accounting Group at (202) 418-2843 or by mail to:

Federal Communications Commission  
Financial Operations  
Auctions Accounting Group  
Gail Glasser  
445 12th Street, SW, Room 1-C864  
Washington, DC 20554

<sup>241</sup> 47 C.F.R. § 1.2104(g)(2).

<sup>242</sup> 47 C.F.R. §§ 1.2109(b) and (c).

<sup>243</sup> 47 C.F.R. § 1.2109(d).



NOTE: Refund processing generally takes up to two weeks to complete. Bidders with questions about refunds should contact Gail Glasser at (202) 418-0578.

## VI. CONTACT INFORMATION

### 226. Contact Information Table:

#### **General Auction 86 Information**

General Auction Questions  
Auction Process and Procedures  
Seminar Registration

#### **FCC Auctions Hotline**

(888) 225-5322, option two; or  
(717) 338-2868  
Hours of service: 8:00 a.m. – 5:30 p.m. ET,  
Monday through Friday

#### **Auction 86 Legal Information**

Auction Rules, Policies, Regulations

#### **Auctions and Spectrum Access Division**

(202) 418-0660  
Sayuri Rajapakse

#### **BRS Licensing Information**

Service Rules, Policies, Regulations  
Licensing Issues, Engineering Issues  
Due Diligence, Incumbency Issues

#### **Broadband Division (202) 418-2487**

Nancy Zaczek (legal) or Stephen Zak (technical)

#### **Technical Support**

Electronic Filing  
FCC Auction System (Hardware/Software  
Issues)

#### **FCC Auctions Technical Support Hotline**

(877) 480-3201, option nine; or (202) 414-1250  
(202) 414-1255 (TTY)  
Hours of service: 8:00 a.m. – 6:00 p.m. ET,  
Monday through Friday

#### **Payment Information**

Wire Transfers  
Refunds

#### **FCC Auctions Accounting Branch**

Gail Glasser  
(202) 418-0578  
(202) 418-2843 (fax)

#### **Auction Bidder Line**

Will be furnished only to qualified bidders

#### **FCC Copy Contractor**

Additional Copies of  
Commission Documents

#### **Best Copy and Printing, Inc**

445 12th Street, SW, Room CY-B402  
Washington, DC 20554  
(800) 378-3160  
<http://www.bcpweb.com>

#### **Press Information**

Matt Nodine (202) 418-1646